

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2007-134-C - ORDER NO. 2007-421
JUNE 6, 2007

IN RE:	Joint Application for Approval of a Transfer)	ORDER APPROVING
	of Assets of Trinsic Communications, Inc.,)	ASSET TRANSFER
	Touch 1 Communications, Inc., and Any)	
	Successor in Interest, Including a Chapter 7)	
	Bankruptcy Trustee (Collectively, "Trinsic"))	
	and Matrix Telecom, Inc.)	
)	

This matter comes before the Public Service Commission of South Carolina ("Commission") by way of the Joint Application of Trinsic Communications, Inc., Touch 1 Communications, Inc., and any successor in interest of either, including a Chapter 7 Bankruptcy trustee (collectively, "Trinsic"), and Matrix Telecom, Inc. d/b/a Matrix Business Technologies ("Matrix") (and, together with Trinsic, "the Joint Applicants") for approval of a transfer of control of Trinsic's assets used to provide local and long distance telecommunications services to Matrix. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 2006) and the rules and regulations of the Commission. In addition to approval of the sale of assets, the Joint Applicants request that the Commission grant a waiver of the Commission's rules governing changes to a customer's telecommunications carrier to the extent those rules are inconsistent with or in addition to the Federal Communications Commission's (FCC's) rules governing the sale of a carrier's customer base.

The Commission's Docketing Department instructed the Joint Applicants to publish, one time, a Notice of Filing in newspapers of general circulation in the areas of the State affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the Joint Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. The Joint Applicants complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Protests or Petitions to Intervene were filed.

The Applicants requested expedited review of the matter and filed the verified testimony of Scott Klopach. Although initially unable to support the Applicants' request due to an outstanding request for information, now that the information has been provided, the Office of Regulatory Staff ("ORS") has no objections to approval of the Joint Applicants' requested relief. No other communication or opposition to this procedure was received. Accordingly, we grant expedited review and will proceed to consider the matter based on the verified testimony.

Scott Klopach, Vice-President of Regulatory Affairs and General Counsel of Matrix testified in writing in support of the Joint Application.

Both Trinsic and Matrix have authority to provide both resold local and interexchange telecommunications services in South Carolina from this Commission. Touch 1 possesses authority to provide interexchange services in South Carolina.

With regard to the transaction before this Commission, Klopach stated the following. As a result of changes to its cost structure resulting from, among other factors, the elimination of Incumbent Local Exchange Carrier (ILEC) unbundled network element

platform (UNE-P) offerings, Trinsic was forced earlier this year to seek bankruptcy relief. On February 7, 2007, Trinsic and its affiliates filed a petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Alabama (the Bankruptcy Court). During the Bankruptcy Court proceedings, Trinsic ultimately determined that successful business reorganization would not be possible. It concluded that the sale of its assets was required to ensure continuity of service to its customers. Therefore, Tide Acquisition Corporation (Tide), a newly formed subsidiary of Platinum Equity, was the winning holder in an auction conducted under the supervision of the Bankruptcy Court, and entered into an agreement with Trinsic on March 21, 2007. Tide subsequently assigned its rights and obligations under the agreement to Matrix.

The agreement requires the sale to be completed by June 9, 2007, and the agreement, including this deadline, has been approved by the Bankruptcy Court. The Joint Applicants believe that this sale will be seamless and transparent to Trinsic's customers. Under the terms of the agreement, Matrix will acquire Trinsic's entire local and long distance customer base, together with its rights and responsibilities under contracts necessary to operate Trinsic's business, Trinsic's real and personal property, equipment, fixtures intellectual property, trademarks, and most other Trinsic assets. Thus, the proposed sale of Trinsic's assets to Matrix will cause no interruption in service to customers. Klopach states that no existing service will be discontinued, reduced, or impaired as a result of the sale of these assets. Furthermore, this transaction will not affect rates for, or terms or conditions of, any service being provided by Trinsic to

customers in South Carolina. Matrix will continue to provide service to these customers using the Trinsic name, possibly on a co-branded basis.

In addition to approval of the sale of assets, the Joint Applicants request that the Commission grant a waiver of the Commission's rules governing changes to a customer's telecommunications carriers to the extent those rules are inconsistent with or in addition to the FCC's rules governing the sale of a carrier's customer base. The Joint Applicants state that a waiver of inconsistent or additional Commission rules governing customer notices in this context will serve the public interest because, without such a waiver, customers would receive multiple notices that could cause them confusion. Further, following the sale, Matrix intends to provide Trinsic's former customers with telecommunications services without interruption or change to the rates, terms, and conditions applicable to the services they receive resulting from the acquisition. Further, the Joint Applicants argue that all customers will receive ample actual notice of the transaction, because each and every customer will receive the notice prescribed under the FCC's rules. Finally, the Joint Applicants state that individual customers could be at risk for interruption to their telecommunications services if such waiver of Commission rules is not granted.

After consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. Trinsic and Matrix filed a Joint Application requesting approval of a transfer of control of Trinsic's assets used to provide local and long distance telecommunications services to Matrix.
2. The Joint Applicants requested expedited review of the matter by June 9, 2007.
3. Expedited review of the matter is granted and the Joint Application should be approved.
4. A waiver of any Commission rules applicable to changes to a customer's telecommunications's carriers should be granted to the extent that those rules are inconsistent with or in addition to the FCC's rules governing the sale of a carrier's customer base.

CONCLUSIONS OF LAW

1. The Commission concludes that the asset transfer from Trinsic to Matrix is reasonable and should be approved and that Matrix possesses the managerial, technical, and financial resources to provide the telecommunications services to the additional customers as described in its Application.
2. The Commission concludes that approval of the asset transfer from Trinsic to Matrix will serve the public interest by enhancing competition in the State of South Carolina by providing for efficient use of existing telecommunications resources.

3. The Commission concludes that the approval of the asset transfer as requested by the Joint Applicants and as set forth in the Application and Mr. Slopach's testimony is in the interests of the citizens of the State of South Carolina.

4. The Commission concludes that a waiver of any Commission rules applicable to changes to a customer's telecommunications carriers should be granted to the extent that those rules are inconsistent with or in addition to the FCC's rules governing the sale of a carrier's customer base.

5. The Office of Regulatory Staff (ORS) does not oppose the request as outlined in the Joint Application..

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

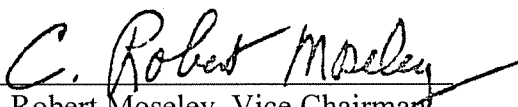
1. The transfer of assets from Trinsic to Matrix as described is hereby approved.
2. The requested waiver is granted.
3. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



G. O'Neal Hamilton, Chairman

ATTEST:



C. Robert Moseley, Vice Chairman
(SEAL)